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**SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/9/05

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Southeastern Athletics Association, Inc.
Hammond, Louisiana

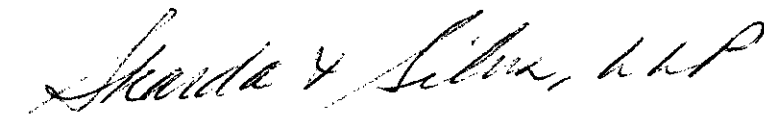
We have audited the accompanying statement of financial position of Southeastern Athletics Association, Inc. (a Louisiana non-profit corporation) as of June 30, 2005, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeastern Athletics Association, Inc. as of June 30, 2005 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2005, on our consideration of Southeastern Athletics Association, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Southeastern Athletics Association, Inc. taken as a whole. The accompanying schedule of revenues, other support and expenses by program and supporting services is presented for purposes of additional analysis and is not a required part of the financial statements of the Association. The information in this schedule has been subjected to the procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



August 18, 2005

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2005

ASSETS

Current Assets

Cash and cash equivalents	\$ 97,922
Accounts receivable	28,919
Merchandise inventories	10,228
	<u>137,069</u>

Property and equipment

Office furniture and equipment	13,467
Sports equipment	281,955
	<u>295,422</u>
Less accumulated depreciation	<u>(31,853)</u>
	<u>263,569</u>

TOTAL ASSETS	<u>\$ 400,638</u>
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LIABILITIES AND NET ASSETS/(DEFICIT)

Current Liabilities

Line of credit	\$ -
Accrued interest payable	2,718
Accounts payable	94,549
Deferred revenue	10,000
Due to Southeastern Development Foundation, Inc.	64,596
Current maturities of long-term debt	73,080
	<u>244,943</u>

Long-Term Liabilities

Long-term debt, net of current maturities	<u>161,711</u>
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TOTAL LIABILITIES	406,654
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Net Asset/(Deficit)

Unrestricted	(39,932)
Temporarily restricted	33,916
	<u>(6,016)</u>

TOTAL LIABILITIES AND NET ASSETS/(DEFICIT)	<u>\$ 400,638</u>
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The accompanying notes are an integral part of this statement.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS/(DEFICIT)
FOR THE YEAR ENDED JUNE 30, 2005

	Unrestricted	Temporarily Restricted	Total
Revenue and other support			
Merchandise sales, net	\$ (2,918)	\$ -	\$ (2,918)
Donations	-	173,220	173,220
Sponsors	256,277	293,753	550,030
In-kind donations	53,659	133,086	186,745
Memberships	65,175	39,853	105,028
Tournaments	-	27,490	27,490
Other revenue	18,869	64,430	83,299
Net assets released from restrictions			
Satisfaction of program restrictions	760,059	(760,059)	-
Total revenue and other support	1,151,121	(28,227)	1,122,894
Expenses			
Restricted			
Scholarships, assistantships, and awards	-	-	-
Departmental	285,668	-	285,668
Programs	474,391	-	474,391
Awards	2,254	-	2,254
Bad Debt	18,100	-	18,100
Broadcast	1,435	-	1,435
Depreciation	1,129	-	1,129
In-kind expenses	53,659	-	53,659
Insurance	1,675	-	1,675
Interest	10,040	-	10,040
Lease	3,124	-	3,124
Miscellaneous	6,348	-	6,348
Membership benefits	7,356	-	7,356
Printing	87,758	-	87,758
Professional fees	15,976	-	15,976
Radio/TV	3,960	-	3,960
Signs	9,460	-	9,460
Special events	12,420	-	12,420
Supplies	3,581	-	3,581
Taxes	2,577	-	2,577
Telephone	506	-	506
Travel	1,281	-	1,281
University programs	101,027	-	101,027
Vehicle expense	5,000	-	5,000
	1,108,725	-	1,108,725
Changes in net assets	42,396	(28,227)	14,169
Net Assets/(Deficit)			
Beginning of year	(82,328)	62,143	(20,185)
End of year	\$ (39,932)	\$ 33,916	\$ (6,016)

The accompanying notes are an integral part of this statement.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2005

	Program Services							
	Baseball	Basketball	Football	Golf	Softball	Tennis	Track	Training Room
Awards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bad Debt	-	-	-	-	-	-	-	-
Broadcast	-	-	-	-	-	-	-	-
Depreciation	414	-	-	-	-	-	-	-
Fundraising	302	31,374	-	33,987	858	-	-	-
In-kind expenses	23,699	4,987	104,400	-	-	-	-	-
Insurance	-	-	1,758	-	-	-	-	-
Interest	298	-	-	-	-	-	-	-
Lease	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Membership benefits	-	-	-	-	-	-	-	-
Printing	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-
Radio/TV	-	-	-	-	-	-	-	-
Recruiting	800	1,238	-	1,071	1,723	-	363	-
Scholarships	-	-	-	-	-	-	-	-
Signs	-	-	-	-	-	-	-	-
Special events	-	-	-	-	-	-	-	-
Supplies	4,281	3,128	-	2,416	929	511	236	1,120
Taxes	88	193	1,783	-	-	-	-	-
Telephone	-	102	3,963	1,038	291	594	593	182
Travel	1,538	10,511	6,544	3,370	755	-	1,719	-
University programs	41,715	41,564	90,958	20,447	7,896	34	3,299	1,610
Vehicle expense	-	-	-	-	-	-	-	-
Total functional expenses	<u>\$ 73,135</u>	<u>\$ 93,097</u>	<u>\$ 209,406</u>	<u>\$ 62,329</u>	<u>\$ 12,452</u>	<u>\$ 1,139</u>	<u>\$ 6,210</u>	<u>\$ 2,912</u>

The accompanying notes are an integral part of this statement

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2005

Volleyball	Soccer	Program Services				Supporting Services	Total
		Director Support	Student Athletic Advisory	Radio TV Facilities	Program Service Total	General and Administrative	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,254	\$ 2,254
-	-	-	-	-	-	18,100	18,100
-	-	-	-	-	-	1,435	1,435
-	-	-	-	9,338	9,752	1,129	10,881
3,772	1,345	-	-	-	71,638	-	71,638
-	-	-	-	-	133,086	53,659	186,745
-	-	-	-	-	1,758	1,675	3,433
-	-	-	-	2,406	2,704	10,040	12,744
-	-	-	-	-	-	3,124	3,124
-	-	-	-	-	-	6,348	6,348
-	-	-	-	-	-	7,356	7,356
-	-	-	-	-	-	87,758	87,758
-	-	-	-	-	-	15,976	15,976
-	-	-	-	-	-	3,960	3,960
4,199	2,266	-	-	-	11,660	-	11,660
-	-	-	-	-	-	-	-
-	-	1,130	-	-	1,130	9,460	10,590
-	-	-	-	-	-	12,420	12,420
410	4,669	-	626	-	18,326	3,581	21,907
-	-	-	-	-	2,064	2,577	4,641
164	915	-	-	-	7,842	506	8,348
1,223	-	48	-	-	25,708	1,281	26,989
6,455	7,102	90,865	1,319	161,127	474,391	101,027	575,418
-	-	-	-	-	-	5,000	5,000
<u>\$ 16,223</u>	<u>\$ 16,297</u>	<u>\$ 92,043</u>	<u>\$ 1,945</u>	<u>\$ 172,871</u>	<u>\$ 760,059</u>	<u>\$ 348,666</u>	<u>\$ 1,108,725</u>

The accompanying notes are an integral part of this statement

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005

Cash Flows From Operating Activities	
Change in net assets	\$ 14,169
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Depreciation	10,881
(Increase)/decrease in accounts receivable	(6,301)
(Increase)/decrease in merchandise inventories	7,110
(Increase)/decrease in prepaids	230
Increase/(decrease) in accounts payable	(3,128)
Increase/(decrease) in due (to)/from affiliate	12,875
Increase/(decrease) in accrued interest payable	(1,000)
Increase/(decrease) in deferred revenue	<u>5,000</u>
Net cash provided by (used in) operating activities	39,836
Cash Flows from Investing Activities	
Purchase of sports equipment restricted for donation to University	<u>(2,070)</u>
Net cash used in investing activities	(2,070)
Cash Flows From Financing Activities	
Proceeds from long-term debt	68,250
Payments on long-term debt	<u>(68,540)</u>
Net cash provided by (used in) financing activities	(290)
Net increase/(decrease) in cash and cash equivalents	37,476
Cash and Cash Equivalents	
Beginning of year	<u>60,446</u>
End of year	<u><u>\$ 97,922</u></u>
Supplementary disclosures of cash flow information	
Cash paid during the year for:	
Interest paid	<u><u>\$ 10,821</u></u>

The accompanying notes are an integral part of this statement.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Nature of Organization

Southeastern Athletics Association, Inc. (the Association) was incorporated on March 18, 1982 under the provisions of Louisiana Revised Statutes 12:201 as a non-profit corporation. The Association was formed to promote and support, on all levels, the Southeastern Louisiana University Athletics Program. The Association is supported primarily through contributions from corporate sponsors and private donors.

Basis of Accounting

The accompanying financial statements of the Southeastern Athletics Association, Inc. have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units.

Basis of Presentation

Net assets of the Association and changes therein are classified and reported as follows:

- a) Unrestricted net assets are not subject to donor-imposed stipulations.
- b) Temporarily restricted net assets are subject to donor-imposed stipulations that can be fulfilled by actions of the Association and/or the passage of time.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains or losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents represent demand deposits and other investments with purchased maturities of three months or less.

Unconditional Promises to Give

Pursuant with the Association's policy and in conformity with SFAS No. 116, the Association records certain promises to give as revenue when the promise is made.

Conditional Promises to Give

Pursuant with the Association's policy and in conformity with SFAS No. 116, the Association does not recognize conditional promises to give as revenue until the condition is met or the pledges are received.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Inventories

Merchandise inventories are stated at the lower of cost or market determined by the first-in, first-out method.

Fixed Assets

Fixed assets utilized by the Association are generally not recorded on the financial statements of the Association, as these assets are owned by Southeastern Louisiana University. For those assets owned by the Association, purchased property and equipment are carried at cost; while donated property and equipment are recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Donated Services

A significant portion of the Association's functions is conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the requirement for recognition under SFAS No. 116.

Income Tax Status

Under provisions of the Internal Revenue Code, Section 501 (c) (3), and the applicable income tax regulations of Louisiana, the Association is exempt from taxes on income other than unrelated business income. The Association has also been classified as an entity that is not a private foundation within the meaning of Section 509 (a) and qualifies for deductible contributions as provided in Section 170 (b)(1)(A)(VI). Since the Association had no net unrelated business income during the year ended June 30, 2005, no provision for income tax was made.

Accounts Receivable

Accounts receivables represent amounts owed for sponsorships and advertising. They are stated at amounts management expects to collect from outstanding balances. Based on prior experience, the Association feels that all amounts are collectable. The Association uses the direct write-off method when accounts are deemed uncollectible.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE B – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2005:

Office equipment	\$ 13,467
Sports equipment	<u>281,955</u>
	295,422
Less accumulated depreciation	<u>31,853</u>
	<u><u>\$ 263,569</u></u>

The Association purchased equipment in the amount of \$46,438 and \$2,070 during the years ended June 30, 2004 and 2005 on behalf of Southeastern Louisiana University for various sports programs. The Association will donate these assets to the University during the year ending June 30, 2006. The Association will not depreciate the equipment since, it will not derive any benefit from the equipment. Depreciation expense for the year ended June 30, 2005 was \$10,881.

NOTE C – LONG-TERM DEBT

The Association has a note payable for improvements to the facilities at Southeastern Louisiana University. The note payable, at a variable interest rate of 6.0% dated January 8, 2003, had an original loan amount of \$240,000, with a maturity date of November 8, 2007. The terms of the note require four annual principal and interest payments of \$54,009 and a final payment of the balance due on November 8, 2007. Revenues have been assigned as collateral. At June 30, 2005, the principal balance of the note is \$75,779 and interest expense during the fiscal year was \$2,405.

In March 2005, the Association converted a line of credit to an installment loan. Total proceeds were \$165,000 with a fixed interest rate of 6.75% to be paid in 71 monthly installments of \$2,791. This loan is unsecured. Interest expense for the year ended June 30, 2005 was \$7,416.

The future maturities of these notes payable are as follows:

Year ending	
2006	\$ 73,080
2007	51,268
2008	26,841
2009	28,699
2010-2011	<u>54,903</u>
	<u><u>\$ 234,791</u></u>

NOTE D – DONATED SERVICES AND SUPPLIES

In-kind donations of \$186,745 of donated services and supplies that the Association would normally have had to purchase were recorded because the donations met the criteria of enhancing non-financial assets and the value of the services and materials provided were readily determinable.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE E – FINANCIAL INSTRUMENTS

Concentration of credit risk arising from cash deposits in excess of insured limits

The Association maintains cash balances at several financial institutions located in Hammond, Louisiana. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. The Association's cash was not in excess of the FDIC insurance at June 30, 2005. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

Concentration of credit risk due to accounts receivable

Credit risk for accounts receivable is concentrated because substantially all of the balances are receivable from entities located within the same geographic region.

NOTE F – RELATED PARTY TRANSACTIONS

The Association occupies an office provided by Southeastern Louisiana University. Since the value of the facilities used by the Association are not readily determinable, no related donation income is recorded. In addition, and in accordance with Louisiana Revised Statutes 17:3390, the Association is of the opinion that all expenditures and in-kind services, except unrestricted funds used for administration, benefit the University. These amounts greatly exceed the cost of housing, personnel, and other support furnished to the Association by the University.

During the year ended June 30, 2005, the Association donated approximately \$243,000 to the University for the various sports programs. The amount owed to the University as of June 30, 2005 is \$60,005.

As of June 30, 2005, the Association owes the Southeastern Development Foundation, Inc. \$64,596 for assumption of debt relating to capital renovations and for uniforms purchased for the sports programs. For the year ending June 30, 2005, interest expense paid on this debt was \$2,922. During 2005, The Development Foundation, Inc. donated \$5,000 to the Association for program support.

The Southeastern Alumni Association, an affiliated organization, donated \$11,919 for various sports programs for the year ended June 30, 2005. The Association paid \$2,377 for various programs.

The Association paid \$20,235 to a coach's spouse for antiques sold during a fundraiser held in July 2005. The fundraising antique auction gross proceeds were \$39,819. The fundraiser is held annually and proceeds benefit the womens basketball team.

NOTE G – COMPENSATED ABSENCES

Contracted employees of the Association are entitled to paid vacation, paid sick days and personal days off, depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Association's policy is to recognize the costs of compensated absences when actually paid to employees.

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE I - CONTINGENCIES

The Association was named in a law suit filed in February 2004. A formal response has been filed by the Association in response to the allegations but no court action has been taken. Any estimate of liability for damages is not known at this time. Management is of the opinion that its outcome will not have a significant effect on the Association's financial statements.

SUPPLEMENTAL INFORMATION

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
SCHEDULE OF REVENUES, OTHER SUPPORT AND EXPENSES BY PROGRAM AND SUPPORTING SERVICES
FOR THE YEAR ENDED JUNE 30, 2005

	Program Services							Training Room
	Baseball	Basketball	Football	Golf	Softball	Tennis	Track	
Unrestricted revenues and other support								
Merchandise sales, net	-	-	-	-	-	-	-	-
Donations	25,696	12,283	30,737	16,303	5,497	2,067	3,720	2,628
Sponsors	9,250	-	50,140	38,375	-	-	-	-
In-kind donations	23,699	4,987	104,400	-	-	-	-	-
Memberships	1,600	17,915	20,338	-	-	-	-	-
Tournaments	-	-	6,430	16,480	580	-	-	-
Other revenue	-	48,184	3,025	50	3,324	-	1,306	-
Total unrestricted revenues and other support	60,245	83,369	215,070	71,208	9,401	2,067	5,026	2,628
Temporarily restricted revenues and other support	(2,716)	(3,457)	(7,777)	(2,315)	(462)	(42)	(231)	(108)
Total revenues and other support	57,529	79,912	207,293	68,893	8,939	2,025	4,795	2,520
Expenses								
Awards	-	-	-	-	-	-	-	-
Bad Debt	-	-	-	-	-	-	-	-
Broadcast	-	-	-	-	-	-	-	-
Depreciation	414	-	-	-	-	-	-	-
Fundraising	302	31,374	-	33,987	858	-	-	-
In-kind expenses	23,699	4,987	104,400	-	-	-	-	-
Insurance	-	-	1,758	-	-	-	-	-
Interest	298	-	-	-	-	-	-	-
Lease	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Membership benefits	-	-	-	-	-	-	-	-
Printing	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-
Radio/TV	-	-	-	-	-	-	-	-
Recruiting	800	1,238	-	1,071	1,723	-	363	-
Scholarships	-	-	-	-	-	-	-	-
Signs	-	-	-	-	-	-	-	-
Special events	-	-	-	-	-	-	-	-
Supplies	4,281	3,128	-	2,416	929	511	236	1,120
Taxes	88	193	1,783	-	-	-	-	-
Telephone	-	102	3,963	1,038	291	594	593	182
Travel	1,538	10,511	6,544	3,370	755	-	1,719	-
University programs	41,715	41,564	90,958	20,447	7,896	34	3,299	1,610
Vehicle expense	-	-	-	-	-	-	-	-
Total functional expenses	73,135	93,097	209,406	62,329	12,452	1,139	6,210	2,912
Change in net assets	\$ (15,606)	\$ (13,185)	\$ (2,113)	\$ 6,564	\$ (3,513)	\$ 886	\$ (1,415)	\$ (392)

See independent auditors' report

SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
SCHEDULE OF REVENUES, OTHER SUPPORT AND EXPENSES BY PROGRAM AND SUPPORTING SERVICE:
FOR THE YEAR ENDED JUNE 30, 2004

Volleyball	Soccer	Program Services			Program Total	Supporting Services	Total
		Director Support	Student Athletic Advisory	Radio TV Facilities		General and Administrative	
-	-	-	-	-	\$ -	\$ (2,918)	\$ (2,918)
2,105	12,305	80,376	1,308	6,422	201,447	-	201,447
-	-	-	-	195,988	293,753	256,277	550,030
-	-	-	-	-	133,086	53,659	186,745
-	-	-	-	-	39,853	65,175	105,028
4,000	-	-	-	-	27,490	-	27,490
<u>5,588</u>	<u>755</u>	<u>1,230</u>	<u>968</u>	<u>-</u>	<u>64,430</u>	<u>18,869</u>	<u>83,299</u>
11,693	13,060	81,606	2,276	202,410	760,059	391,062	1,151,121
<u>(602)</u>	<u>(605)</u>	<u>(3,418)</u>	<u>(72)</u>	<u>(6,422)</u>	<u>(28,227)</u>	-	<u>(28,227)</u>
11,091	12,455	78,188	2,204	195,988	731,832	391,062	1,122,894
-	-	-	-	-	-	2,254	2,254
-	-	-	-	-	-	18,100	18,100
-	-	-	-	-	-	1,435	1,435
-	-	-	-	9,338	9,752	1,129	10,881
3,772	1,345	-	-	-	71,638	-	71,638
-	-	-	-	-	133,086	53,659	186,745
-	-	-	-	-	1,758	1,675	3,433
-	-	-	-	2,406	2,704	10,040	12,744
-	-	-	-	-	-	3,124	3,124
-	-	-	-	-	-	6,348	6,348
-	-	-	-	-	-	7,356	7,356
-	-	-	-	-	-	87,758	87,758
-	-	-	-	-	-	15,976	15,976
-	-	-	-	-	-	3,960	3,960
4,199	2,266	-	-	-	11,660	-	11,660
-	-	-	-	-	-	-	-
-	-	1,130	-	-	1,130	9,460	10,590
-	-	-	-	-	-	12,420	12,420
410	4,669	-	626	-	18,326	3,581	21,907
-	-	-	-	-	2,064	2,577	4,641
164	915	-	-	-	7,842	506	8,348
1,223	-	48	-	-	25,708	1,281	26,989
6,455	7,102	90,865	1,319	161,127	474,391	101,027	575,418
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
16,223	16,297	92,043	1,945	172,871	760,059	348,666	1,108,725
<u>\$ (5,132)</u>	<u>\$ (3,842)</u>	<u>\$ (13,855)</u>	<u>\$ 259</u>	<u>\$ 23,117</u>	<u>\$ (28,227)</u>	<u>\$ 42,396</u>	<u>\$ 14,169</u>

See independent auditors' report

OTHER INDEPENDENT AUDITORS' REPORT

Skarda & Silva, L.L.P.

Certified Public Accountants

4331 Iberville Street

Mandeville, LA 70471

Steven A. Skarda, C.P.A.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Southeastern Athletics Association, Inc.
Hammond, Louisiana

We have audited the financial statements of Southeastern Athletics Association, Inc. (a non-profit corporation), as of and for the year ended June 30, 2005, and have issued our report thereon dated August 18, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Southeastern Athletics Association, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Southeastern Athletics Association, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, others within the Association, the Louisiana Legislative Auditor, the federal awarding agencies, and pass-through entities. However, this report is a matter of public record, and its distribution is not limited.


August 18, 2005

**SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unqualified		
Internal control over financial reporting:			
Material weaknesses identified?	_____ yes	X _____	no
Reportable conditions identified?			
not considered to be material weaknesses?	_____ yes	X _____	none reported
Noncompliance material to financial statements noted?	_____ yes	X _____	no

Federal Awards

Internal control over major programs:

Material weaknesses identified?	Not applicable.
Reportable conditions identified?	Not applicable.
not considered to be material weaknesses?	

Type of auditors' report issued on compliance for major programs:

Not applicable.

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)?

Not applicable.

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

Not applicable.

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk audit?	N/A

Section II - Internal Control & Compliance

<u>Item Number</u>	<u>Agency/Program</u>	<u>Questioned Costs</u>
Not applicable.		

**SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2005**

Section III - Management Letter

Ref. No.

Comment

2005-1 The purchasing function for the Association's operations has traditionally been performed at many department levels .

Recommendation

This practice causes a certain loss of control and efficiency. Expenditures are not being reflected in the month incurred. If this process was centralized, the purchasing function can be reformed into a very specialized process that offers the Association better control over expenditures. We suggest that the purchasing function be centralized in one area with purchases recorded upon receipt of supplies.

Management's Response

A new purchasing policy has been put in place and approved by the Southeastern Athletics Association's Board. A purchase order will be submitted in advance for any purchase. Once approved the purchase order will be sent to the Association's accounting office. Vendor invoices will be sent directly to the Association's accounting department. Receipt of items will be verified with the appropriate staff and payment will be made. All purchase orders must be submitted by June 1 of any fiscal year with items received and invoices submitted for payment prior to June 30.

Comment

2005-2 Our audit testing procedures disclosed that various expenditures were made with no invoice or supporting documentation attached.

Recommendation

Missing accounting records such as these, while typically indicative of general disorganization, can be a flag of a much more severe issue such as potential fraud or other such abuse. A significant effort should be undertaken to ensure that documentation is properly attached and retained.

Management's Response

Every attempt will be made to no longer issue checks without an invoice or supporting documentation. At times it is necessary to issue cash advances for travel or supplies to be purchased for an event. In these cases the person receiving the check will sign a statement stating that they will return the cash or receipts and that the funds are to be used for the stated purposes. Vendors will not be paid in the future without some type of documentation.

**SOUTHEASTERN ATHLETICS ASSOCIATION, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2005**

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Section I - Compliance and Internal Control Material to the Financial Statements

No reported findings for the year ended June 30, 2004

Section II - Internal Control and Compliance

Not applicable.

Section III - Management Letter

2004-1	Advances totaling \$3,200 paid to employee during Fiscal Year 2004	Yes	Funds were paid back in June 2004 and new policy implemented forbidding employee advances
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